



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dr. G. A. (Jim) Shirazi, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

December 9, 1983

Mr. Joe Zalkind
Colorado Mined Land Reclamation Division
423 Centennial Building
1313 Sherman
Denver, Colorado 80203

RE: Reclamation and Regulatory
Compliance Issues
Union Carbide Corporation
ACT/037/025, ACT/037/026
ACT/037/027, ACT/037/043
ACT/037/046
San Juan County, Utah

Dear Mr. Zalkind:

In our conversation of November 23, 1983 you requested a written summarization of the Division's recent concerns and actions on Union Carbide's uranium operations at the Deremo Mine. That information is summarized below.

The Utah Division of Oil, Gas and Mining is currently working with Union Carbide Corporation in order to complete regulatory requirements for the Deremo Mine in accordance with objectives of the 1975 Utah Mined Land Reclamation Act. The Deremo Mine, located on the Utah - Colorado border in Sections 2, 10, 11, 14, 15 of T33S; R26E. Because of the common boundary location, the Division is anxious to inform and work with the Colorado Mined Land Reclamation Division concerning this project.

During inspections of Union Carbide's Mines in Utah, many discrepancies, inconsistencies and inadequacies between plans and actual conditions were discovered. Requests for new and accurate maps of existing disturbances brought to light substantial unreported acreage increases, while original

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commitments in the mining and reclamation plans were still not implemented (e.g. test plots on waste rock piles and drainage maintenance). Bond estimates were also outdated.

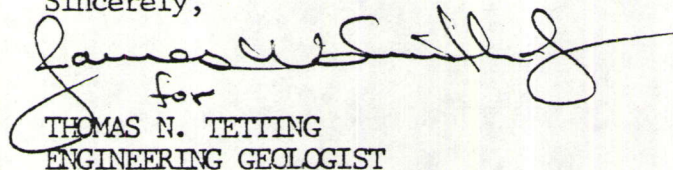
During April, 1983 the State Health Department became involved with the company when radiometric effluent from sedimentation ponds exceeded limitation standards. Inspections also revealed inadequate sediment pond designs. These problems are still unresolved.

An inspection made on May 25, 1983 completed the Division's tour of all Union Carbide mines in Utah, including the Deremo Mine. A copy of the Division's June 14, 1983 letter to Union Carbide addressing issues discussed at the mine sites was sent to your office in care of Mike Stanton (copy enclosed). The items discussed at the Deremo Mine centered on areas directly in, or affecting Utah and little attention was given to sections of the mining operation within Colorado. A response from Union Carbide failed to resolve the problems, and an additional letter was sent by the Division on October 31, 1983 (copy enclosed).

Union Carbide, despite personnel changes, has completed approximately two-thirds of the requirements established during the Division's review of all of its operations in Utah, largely due to the efforts of Kent Dahlquist. However, many issues remain unresolved, including: water containment problems (pond sizing, design adequacy and discharges), immediate clean up of sediment with potentially high radiometric values from old ponds, and reclamation bond revisions. The company has recently notified our office of an impending total suspension of mining operations for up to one year and there has been no commitment to resolve the existing problems prior to this temporary cessation. If additional interest is shown at this time by Colorado, the two-state approach might elicit a more specific effort by the company to bring its operations into environmental compliance.

If you need additional information, please contact me.

Sincerely,


for
THOMAS N. TETTING
ENGINEERING GEOLOGIST

TNT/jvb

Enclosures

cc: Dianne Nielsen, DOGM
Ron Daniels, DOGM
Jim Smith, DOGM
Steve McNeal, State Health Dept.